

# Chair's letter

Dear member

**It is my pleasure to provide you with an update on the National Provident Fund (NPF) and its activities over the year to 31 March 2024.**

The year was generally a good one for financial markets, in particular for the global equities asset class which performed very strongly. Inflation remained the key influence on markets throughout the year. Inflation trended lower through the latter half of 2023, encouraging markets to a view that central bank monetary policy tightening had run its course and that investors could anticipate interest rate cuts. While the markets have performed well, getting inflation back to the levels seen before 2022 remains a challenge and investors will continue to watch these efforts closely.

## GOVERNANCE

The Board oversees management of the NPF schemes, including the investment assets of the schemes, on behalf of members. The Board's responsibilities include ensuring NPF operates efficiently and in line with legislation.

There were no changes to the composition of the Board during the year. Tracey Berry's and Graham Ansell's terms on the Board have been renewed for an additional three years. After nine years on the Board, and seven as Chair, I will be retiring from the Board on 30 June 2024.

I have been very fortunate to work with experienced professionals on the Board, who possess knowledge and skills in a broad range of subject areas and who bring diverse perspectives.

Effective from 1 July 2024, Louise Edwards, who has been on the Board since 1 July 2019, has been appointed as the new Chair of the Board. We will also welcome Michelle Tsui who has been appointed to the Board.

Executive services to NPF are provided by Annuitas Management Limited, a joint venture between NPF and the Government Superannuation Fund Authority (GSFA). During the year, Annuitas said goodbye to its longest-serving staff member, Philippa Drury. Ireen Muir, who has been with Annuitas since September 2021, has assumed the General Manager Schemes role. Anthony Halls joined the team as Chief Investment Officer in July 2023. On behalf of the Board, I'd like to thank Philippa for her years of dedicated service, to congratulate Ireen on her new role and to welcome Anthony.

Additional Information on the Board members and executive team is available on our website.



## INVESTMENTS

While members' entitlements are guaranteed by the Crown, the investment performance of the assets of the schemes remains subject to market forces. The Board sets an investment strategy for each scheme that aims to maximise investment returns within appropriate risk limits, while managing costs.

Investment returns for all schemes for the 2024 financial year were positive. Those schemes with the risk appetite to invest in global equities did particularly well as returns for that asset class were well ahead of any other. Global equity markets responded positively to evidence that central banks had moved to a more neutral monetary stance after sharp rises in interest rates in the previous year. Overall, NPF's investment managers performed ahead of their respective benchmarks. Further information on investment returns for each scheme is provided in the annual reports.

As an active investor, NPF encourages its investment managers to take account of material environmental, social and governance (ESG) factors, including climate-related risks and opportunities, in their investment processes. We believe this is in the best interests of members as those factors have the potential to materially impact investment returns over the longer term.

## SCHEMES

In the 1990s, the NPF was separated into 16 separate superannuation schemes which were closed to new members effective 31 March 1991. Since then, the number of members has declined due to retirements and withdrawals and so has the number of schemes.

There are currently eight remaining NPF schemes with 7,795 pensioners, 2,387 active contributors and 2,482 non-active contributors. Over the coming years, we anticipate that contributor numbers will continue to decline as members reach retirement age and elect to receive their entitlements as a pension or as a cash lump sum. This activity is likely to give rise to further rationalisation of the schemes over time, with members being consolidated into the larger schemes to minimise overall reporting and administration costs.

Some non-active contributors have not yet made elections to receive their entitlements and in some instances not doing so will result in a member's entitlement being less. We strongly encourage members to carefully consider their options and how they wish to receive their entitlements. The scheme administrator, Datacom, is available to answer any questions and provide additional information. If you are a non-active contributor (i.e. you are not currently making payments to an NPF scheme), please call Datacom on 0800 628 776 to discuss your options.





It is also very important for members to ensure that their contact details remain up to date and where possible a secondary contact's details are provided. There is a Change in Personal Details Form enclosed with your annual report package this year for this purpose.

## THANKS

I would like to acknowledge the commitment of all members of the Board this year to the governance of NPF. We are well positioned to meet the standards of accountability and continuous improvement that are demanded of superannuation trustees today.

I would also like to thank the management team and staff at Annuitas Management Limited for their continuing focus on managing the schemes and their commitment to help our members.

I am deeply grateful for the opportunity to have served members in my capacity on the Board for the last nine years. I have had the pleasure of working with a variety of committed and talented Individuals, both at the Board and staff level, over that time. I wish them, and all members, well for the future.



Kind regards



**Dr Edward Schuck**

Chair

Board of Trustees of the  
National Provident Fund

June 2024



## COMMUNICATIONS

The NPF website – [www.npf.co.nz](http://www.npf.co.nz) – is an important part of our communications strategy and contains comprehensive information on NPF and the schemes. It explains how NPF operates and gives all stakeholders access to the trust deeds and financial statements for each of the schemes.

If your contact details change, please advise the administrator of the NPF schemes, Datacom, so we can get in touch with you if required. There is a Change in Personal Details Form enclosed with your annual report package this year for this purpose. Your personal information is held securely. It is maintained and stored electronically by NPF within a cloud service hosted in New Zealand. Where we have received approval from you on the Change in Personal Details Form, we will communicate with you by email.

The Board continues to devote resources to finding members for whom we do not hold a current address. All members classified as missing are listed on the Board's website – [www.npf.co.nz](http://www.npf.co.nz) – under Unclaimed Monies. If you have friends or family who may have been members of NPF in the past you should encourage them to check our website.

## PRIVACY AND SECURITY

The Board is very aware of the need to respect members' privacy. We are required to hold personal information about you for the purposes of ongoing management and administration of the NPF schemes. Personal information is data about an identifiable individual or information that could be used to identify you, such as your name and contact details.

We are bound by, and adhere to, the privacy provisions set out in the Privacy Act 2020.

With this in mind, please be aware neither Datacom nor the Board will ever send you a generic email asking for your personal information (for example, your bank account number and your date of birth) or ask you to provide your bank account details over the phone.

Wherever you provide personal information – whether it's by email, letter, completing a form or over the phone – you can be assured we will do everything we reasonably can to protect your personal information from being used in the wrong way.

NPF and Datacom will **never**:

- > ask you for your banking personal identification number (PIN) or password;
- > send you a link to an NPF website login page;
- > ask you to download any software onto your computer;
- > ask you to give us remote access to your computer.



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